



JENNIFER M. GRANHOLM
GOVERNOR


STATE OF MICHIGAN
OFFICE OF THE STATE BUDGET
LANSING

ROBERT L. EMERSON
DIRECTOR

February 26, 2007

MEMORANDUM

TO: Directors of Departments and Autonomous Agencies

FROM: Robert L. Emerson
State Budget Director 

SUBJECT: Executive Directive 2007-3 – Restrictions on Nonessential Travel

Executive Directive 2007-3 establishes a moratorium on out-of-state travel for Executive Branch departments and autonomous agencies through September 30, 2007. State agencies are subject to all travel restrictions contained in Executive Directive 2007-3, as well as to similar restrictions contained in the fiscal year 2007 budget bills.

This memorandum supersedes and replaces the November 1, 2004, communication on this topic; outlines procedures necessary to implement Executive Directive 2007-3; and provides directions for complying with reporting requirements contained in the Management and Budget Act and in fiscal year 2007 budget bills.

Out-of-State Travel Moratorium

No funds may be expended for out-of-state travel unless the travel meets one or more of the following exceptions to the out-of-state travel moratorium, and the department director and the State Budget Director grant approval in advance of the out-of-state travel:

1. The travel is required by legal mandate or court order or for law enforcement purposes
2. The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

3. The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
4. The travel is necessary to comply with federal requirements.
5. The travel is necessary to secure specialized training for staff that a department director or autonomous agency head certifies is not available within this state or cannot be brought to, or performed in, Michigan at a lesser cost.
6. The travel is financed entirely by federal or non-state funds. Under this exception, the out-of-state travel must be **necessary to the operation of the department**. In addition, out-of-state travel should not be requested if the federal or non-state funds can be used for other, higher-priority purposes.

The attached form (signed by the department director or his/her designee) should be used to request State Budget Director approval of out-of-state travel **at least two weeks prior to the planned departure date**. The attached form may also be used to secure prior approval for out-of-state travel in situations where additional exceptions to the moratorium may be warranted. This form is available on the State Budget Office website at <http://www.michigan.gov/budget>. [Note: If your agency has a similar form that you are using for out-of-state travel authorization, you may use your own form instead of the DMB 100c with prior approval from our office. Share a copy of your form with Nancy Duncan to secure approval.]

In-State Travel Limitations

During fiscal year 2007, each department director and autonomous agency head is required to limit in-state travel. It is the responsibility of each department and autonomous agency to establish policies and procedures to ensure that all in-state travel is critical to the effective and efficient operation of state government.

Reimbursement of Judicial, Legislative and Local Government Travel

Any department or autonomous agency which finances travel costs of a justice, judge, legislator, judicial staff, legislative staff, or officials of local government and political subdivisions during fiscal year 2007, is required to charge these travel expenses to the State Court Administrative Office, the Secretary of the Senate, the Clerk of the House of Representatives, or the local government unit, as appropriate.

In order for the State Budget Director to compile the statewide report required under Executive Directive 2007-3, copies of the inter-account billings should be submitted pursuant to year-end closing procedures.

Travel Reports

1. Out-of-State Travel

Each department is responsible for producing an annual out-of-state travel report in accordance with section 217(3) of Public Act 431 of 1984 (the Management and Budget Act) and with language provisions contained in fiscal year 2007 budget bills.

Any out-of-state travel funded in whole or in part with funds appropriated in the department's budget, or funded with internal service funds, is subject to annual reporting requirements. Not later than January 1, 2008, each department will prepare an annual out-of-state travel report for the immediately preceding fiscal year (FY 2007). The report will be prepared using the attached Out-of-State Travel Format (Form DMB 100f.) This form may also be located on the State Budget Office website at <http://www.michigan.gov/budget>. The following information must be included in each report:

- a. The name of each person (classified and unclassified employees), receiving reimbursement for travel outside this state or whose travel costs were paid by the state.
- b. The destination of each travel occurrence.
- c. The dates of each travel occurrence.
- d. A brief statement of the reason for each travel occurrence.

- e. The transportation and related costs of each travel occurrence, including the amount funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, and other revenues (i.e., local, private or internal service funds.)
- f. A total amount of all out-of-state travel funded for the immediately preceding fiscal year (FY 2007).

2. In-State Travel

The annual travel report will also include a summary statement of the total amount expended for in-state travel for the immediately preceding fiscal year (FY 2007).

Each department director should submit the annual travel report to the chair and members of the Senate and House Appropriations committees, to the Senate and House fiscal agencies, and to the State Budget Director.

Your cooperation in implementing this directive and complying with reporting requirements is appreciated. If you have any questions concerning these procedures, please contact Nancy W. Duncan, Deputy State Budget Director at (517) 373-0870.

Attachments:

- 1) Out-of-State Travel Authorization (Form DMB 100c)
(<http://www.michigan.gov/budget>)
- 2) Out-of-State Travel Report Format (Form DMB 100f)
(<http://www.michigan.gov/budget>)
- 3) Executive Directive 2007-3

cc: Mary A. Lannoye, Chief of Staff
Teresa Bingman, Deputy Chief of Staff
Nancy W. Duncan, Deputy State Budget Director
Agency Budget Directors
Internal State Budget Office Distribution

OUT-OF-STATE TRAVEL AUTHORIZATION
Authority: Executive Directive 2007-3

Instructions: Please complete and submit to: Nancy Duncan, Deputy State Budget Director.
(Please use one form for each travel event.)

All items must be completed. Incomplete forms will be returned to the agencies for resubmission.

Department/Agency	Bureau/Office	
Division/Section/Unit	Employee Name	
Destination	Travel Start Date	Travel End Date
Travel Meets the Following Criteria		
<input type="checkbox"/> The travel is required by legal mandate or court order or for law enforcement purposes.		
<input type="checkbox"/> The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.		
<input type="checkbox"/> The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.		
<input type="checkbox"/> The travel is necessary to comply with federal requirements.		
<input type="checkbox"/> The travel is necessary to secure specialized training for staff that a department director or autonomous agency head certifies is not available within this state or cannot be brought to, or performed in, Michigan at a lower cost.		
<input type="checkbox"/> The travel is financed entirely by federal or non-state funds.		
<input type="checkbox"/> Other (Explain):		
Describe Purpose and Justification for Travel		
Total Cost (Enter Total Estimated Expenses)		
\$		
GF/GP (Enter \$ Amount or % to Be Charged to GF/GP Funds)		
Federal (Enter \$ Amount or % to be Charged to Federal Funds)	Specific Federal Funding Source (in Words)	
Other (Enter \$ Amount or % to be Charged to State Restricted or Other Funds)	Specific State Restricted or Other Funding Source (in Words)	

↑ Signature (Department Director or Designee) ↑	↑ Date ↑
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Official Budget Office Use	Date Received	Request Number
Request Approved <input type="checkbox"/>	Request Denied <input type="checkbox"/>	
↑ Budget Director or Authorized Signature ↑	↑ Date ↑	

Department of *[Insert Department Name]*
 Out-of-State Travel Report
 Fiscal Year 2007

Travel Dates		Employee Name	Destination	Purpose for Travel	Auth. Code	Source of Funds				Total Cost
Begin	End					GF/GP	Restricted	Federal	Other	
2/2/2007	2/5/2007	Last Name, First Name	City, ST	A brief statement of the reason for each travel occurrence.	See below A - G	\$ 21,234.56	\$ 21,234.56	\$ 1,234.56	\$ 1,234.56	\$ 44,938.24

Total Out-of-State Travel \$ 44,938.24

Authorization Codes

- (A) Required by legal mandate or court order or for law enforcement purposes.
- (B) Necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (C) Necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (D) Necessary to comply with federal requirements.
- (E) Necessary to secure specialized training for staff that is not available within this state or cannot be brought to, or performed in, Michigan at a lesser cost.
- (F) Financed entirely by federal or non-state funds.
- (G) State Budget Director Authorized Exemption.

Out-of-State Travel Reporting Guidelines

This report identifies out-of-state travel of classified and unclassified employees occurring in fiscal year 2007, and financed from appropriated funds and internal service funds.

The report is organized according to the date sequence of travel occurrences. Travel occurrences with travel begin dates in October 2006 will be listed first; travel begin dates occurring in September 2007 will be listed last. If a traveler submits late and was not included on a previous report, they must be included in the year paid.

The brief statement of the reason for the travel should justify the travel and its importance to the state.

List the Authorization Code that relates to the reason the travel was allowed. See the A through G listing at the bottom of the report.

The cost for each travel occurrence must include the cost of lodging, meals, airfare, train, or other mode of transportation used for out-of-state travel.

The report is submitted to the chairs and members of the Senate and House Appropriation Committees, to the Senate and House fiscal agencies, and to the State Budget Director.

Due date: not later than January 1, 2008.



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

EXECUTIVE DIRECTIVE
No. 2007 — 3

TO: Department Directors and Autonomous Agency Heads
FROM: Governor Jennifer M. Granholm
DATE: January 24, 2007
SUBJECT: **Restrictions on Nonessential Travel**

The economic conditions currently facing the citizens and government of this state and the resulting fiscal difficulties for our state budget are detailed in Executive Directive 2007-1. Given the severity of the state budget constraints, I am issuing this Directive now, which has as its objective reduction in expenditures by departments and agencies within the Executive Branch of state government. While I recognize that resources are already scarce, and that greater efficiencies already have been achieved in the administrative operations of state departments and agencies, it is critical to implement additional efforts to reduce costs and curtail spending. Accordingly, I direct:

I. MORATORIUM ON OUT-OF-STATE TRAVEL

A. For the remainder of the fiscal year ending September 30, 2007, a moratorium is imposed on all out-of-state travel paid with state funds. An exception to the moratorium is permitted only if one or more of the following apply and the travel is approved in advance by the State Budget Director and a department director or autonomous agency head:

1. The travel is required by legal mandate or court order or for law enforcement purposes.
2. The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
3. The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
4. The travel is necessary to comply with federal requirements.

5. The travel is necessary to secure specialized training for staff that a department director or autonomous agency head certifies is not available within this state or cannot be brought to, or performed in, Michigan at a lesser cost.

6. The travel is financed entirely by federal or non-state funds.

B. Department directors and heads of autonomous agencies are responsible for determining situations where additional exceptions to the moratorium on out-of-state travel are warranted and securing advance authorization from the State Budget Director to proceed with travel. If out-of-state travel is necessary but does not meet one or more of the conditions in Section I.A, the State Budget Director may grant an exception to allow the travel. All exceptions granted by the State Budget Director shall be reported on a monthly basis to the Governor.

C. Upon mutual agreement between an officer or employee and a department director or autonomous agency head, the officer or employee may travel on state business at personal expense, without state reimbursement.

II. RESTRICTIONS ON IN-STATE TRAVEL

A. For the fiscal year ending September 30, 2007, departments and agencies shall make all reasonable efforts to limit in-state travel funded with state funds unless the travel is necessary for the effective and efficient operation of state government.

B. By February 16, 2007, the Director of the Department of Management and Budget shall issue recommendations to state departments and autonomous agencies on measures to reduce in-state travel expenditures.

III. REIMBURSEMENT OF JUDICIAL TRAVEL

A. Department directors and autonomous agency heads shall prepare inter-account billings to charge the State Court Administrative Office or the appropriate court for any travel by a justice, judge, or judicial staff financed from any appropriations for an Executive Branch department or agency. Copies of the billings shall be submitted to the State Budget Director for compilation of a state-wide report.

B. This section applies to all travel funded by Executive Branch appropriations in Fiscal Year 2006-2007 and all funds controlled by departments or agencies of the Executive Branch.

IV. REIMBURSEMENT OF LEGISLATIVE TRAVEL

A. Department directors and autonomous agency heads shall prepare inter-account billings to charge the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, for any travel by a legislator or legislative staff financed from any appropriations for an Executive Branch department or agency. Copies of the billings shall be submitted to the State Budget Director for compilation of a state-wide report.

B. This section applies to all travel funded by Executive Branch appropriations in Fiscal Year 2006-2007 and all funds controlled by departments or agencies within the Executive Branch of state government.

V. REIMBURSEMENT OF LOCAL GOVERNMENT TRAVEL

A. Department directors and autonomous agency heads shall prepare billings to charge local units of government for any travel by a local government official or an official of a political subdivision of this state financed from any appropriations for an Executive Branch department or agency. Copies of the billings shall be submitted to the State Budget Director for compilation of a state-wide report.

B. This section applies to all travel funded by Executive Branch appropriations in Fiscal Year 2006-2007 and all funds controlled by departments or agencies of the Executive Branch.

VI. TELECONFERENCING, VIDEO CONFERENCING, AND WEB-BASED CONFERENCING AS ALTERNATIVES TO TRAVEL

A. Departments and agencies shall encourage the use of teleconferencing, video conferencing, or web-based conferencing as an alternative to travel, when financially prudent. The current budget situation demands that only the most essential travel occur. Whenever teleconferencing, video conferencing, and/or web-based conferencing is a cost-effective alternative to travel, it should be utilized.

B. By February 16, 2007, the Director of the Department of Management and Budget shall issue recommendations to state departments and autonomous agencies on measures to expand the use of teleconferencing, video conferencing, web-based conferencing, and other alternatives to travel when conducting state business.

VII. ENFORCEMENT

A. State department directors and autonomous agency heads are directed to closely and regularly monitor expenditures for travel to ensure close compliance with the spirit of this Directive and the efficient expenditure of tax dollars.

B. The State Budget Director shall take all actions necessary to enforce the requirements of this Directive, consistent with Michigan law. All departments and agencies shall assist the State Budget Office, as necessary, in implementing this Directive.

C. In exercising general supervisory control over the functions and activities of all administrative departments, boards, commissioners, and officers of the state, and of all state institutions, as required under Section 3 of 1921 PA 2, MCL 17.3, the State Administrative Board shall monitor compliance with the requirements of this Directive.

D. Violations of the requirements of this Directive shall be reported to the State Budget Director and to the Secretary of the State Administrative Board.

E. The State Administrative Board may take action to enforce the requirements of this Directive as authorized under 1921 PA 2, MCL 17.1 to 17.3.


VIII. MISCELLANEOUS

A. All travel paid with state funds should be conducted in the most cost-effective manner that is reasonable given time considerations and should take advantage of ride sharing or lower cost travel alternatives when feasible. Travel paid with state funds should be limited to the minimum number of people necessary to serve Michigan taxpayers.

B. This Directive is effective immediately and remains in effect through September 30, 2007.

I extend my sincere appreciation for your assistance and the continued hard work of state employees as we respond to the state's difficult fiscal condition.




JENNIFER M. GRANHOLM
GOVERNOR